

THE INTERNATIONAL ENTREPRENEUR



**BY
LON SAFKO**

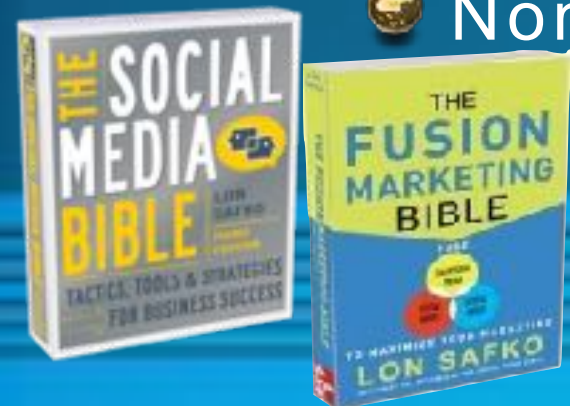


www.LONSafko.com



Biography

- Star of the PBS Television Special “Social Media & You... Communicating In A Digital World”.
- Invented the “First Computer To Save A Human Life”.
- 18 Inventions & 30,000 personal records in the Smithsonian Institution, Washington, D.C.
- Spent most of my career as an entrepreneur, innovator, president and CEO.
- An innovator for more four decades founding 14 start-up companies.
- Invented the first voice recognition and the first home automation for the disabled.
- Invented the first three-dimensional virtual environment.
- Invented the first integrated computer system for the physically disabled.
- Invented the archetype for Apple Newton and Microsoft’s Bob operating systems.
- Invented “Tool-Tips”, and first software user’s guides.
- Has 14 Inventions in the Computer History Museum, Mountainview, CA
- Awarded 3 patents on three-dimensional Internet advertising and “Virtual-Electronic-Retailing”
- Awarded 125 software copyrights, trademarks, a dozen signature marks.
- Recipient of The Westinghouse Entrepreneur of the Year Award.
- Recipient of The the Arizona Software Association’s Entrepreneur of the Year Award.
- Recipient of The the Arizona Innovation Network’s Innovator of the Year Award.
- Recipient of The Public Relations Society of America’s ”Mark of Excellence” Award.
- Recipient of The A.A.P.A.’s Award of Excellence for the Western Hemisphere.
- Twice nominated Entrepreneur of the Year by Ernst & Young / Inc. Magazine.
- Recognized by the Department of Veteran’s Affairs and the Phoenix Mayor’s Council.
- Featured in Entrepreneur Magazine, Inc. Magazine, PC Novice, Popular Science, & NY Times.
- Appointed USA Today CEO Advisory Board, the first SCORE Ambassador.
- Author of the bestselling book “The Social Media Bible”, Third Edition, hit #1 on Amazon, \$2m+
- Author of the bestselling book “The Fusion Marketing Bible”, hit #3 on Amazon & Patent Pending!
- Author of the bestselling book “Innovative Thinking, Cracking The Creativity Code”.
- Nominated for a Pulitzer Prize.



Worldwide Growth & Patterns

- From now to 2021 worldwide ecommerce sales will grow nearly 246 percent, from \$1.3 trillion to \$4.5 trillion. (Statistica)
- 83 percent of shoppers in Canada, 81 percent in Brazil and 78 percent in Mexico buy from sellers across international borders. (UPS Pulse, Online Shopper)
- In the U.S., nearly half (47 percent) of shoppers purchased from merchants outside the U.S.



World Marketplaces

The U.S. Small Business Administration (SBA) says that...

- 96 percent of the world's consumers now live outside the United States, and...
- Two-thirds of the world's purchasing power is based in foreign countries.



World Trends

- 2017 International Post Corporation (IPC) surveyed 29,000 International customers.
- It showed that in 30 countries, 53 percent of all international ecommerce purchases went through three marketplaces: Amazon, Alibaba, and eBay.
- Customers who make international purchases are in a safe and familiar environment.
- Smaller ecommerce companies turn to the same three marketplaces above to support their international selling.
- These marketplaces also solve currency conversion issues and provide international exposure to a large number of customers which creates tremendous new business opportunities.



Currency Exchange

- Money exchange between countries can be a problem that often comes with large fees.
- Western Union takes 12%!
- PayPal is great, but bans many countries such as:

Belarus

Burma (Myanmar)

Cote d'Ivoire

Iran

Pakistan

Sierra Leone

Sudan

Syria

Western Balkans

Zimbabwe

Iraq

Liberia

North Korea

Democratic Republic of
the Congo



India Risk - Bank of America won't exchange Rupees.



Payment Options Payoneer.com



- Payoneer provides you with a virtual bank account in each country.
- This allows your customers to pay you via domestic wire transfer.
- Once you receive a payment, you can withdraw the funds in your home currency and transfer the funds to your local bank account.
- Payoneer has partnered with many industry giants like Amazon.



BlockChain & BitCoin Pluses & Minuses



Blockchain

A blockchain is a digitized, decentralized, public ledger of all cryptocurrency transactions.

Constantly growing as ‘completed’ blocks (the most recent transactions) are recorded and added to it in chronological order, it allows market participants to keep track of digital currency transactions without central record keeping.

Each node (a computer connected to the network) gets a copy of the blockchain, which is downloaded automatically.



BlockChain & BitCoin

Pluses & Minuses



BitCoin

Bitcoin is a digital currency created in 2009. It follows

the ideas set out in a white paper by the mysterious Satoshi Nakamoto, whose true identity has yet to be verified. Bitcoin offers the promise of lower transaction fees than traditional online payment mechanisms and is operated by a decentralized authority, unlike government-issued currencies.



International Manufacturing & Distribution

- Amazon is in nearly every country.
- Alibaba is a huge supplier out of China.
- Questions: Can you buy as needed or do you have to buy an entire container?
- Will they drop ship to you? Drop ship one-up to your customers (fulfill)?



When teaching in Shanghai I asked the Chinese attendees what they thought about Hong Kong which represented the flagship of Capitalism and China, the largest Communist country in the world now owning it. Their answer was

“We like it!”

Watch Beijing!



Outsourcing

Fiverr.com, Upwork.com (e-Lance), and a lot more...

Project Tracking

Time-tracking and project-management tools like Toggl and Asana, help keep everyone on the same page.

Example: Three model designers I hired from Russia for 6 years came from Vladivostok, the Ukraine, and Moscow.

I've hired two Pakistan guys; one for for a web site, the other as my V.A. for special projects for more than five years.



Selling Into Foreign Countries

- **Virtual: Restrictions, taxes, import, duties.**
- **Actual: Can you sell and ship it in that country?**
- **Is it restricted or prohibited.**

When I speak in Dubai (United Arab Emirates), I am careful about brining alcohol in my suitcase... Muslim.

Royalties Earned (What's this?)

| Marketplace | Currency |
|---------------|----------|
| Amazon.com | USD |
| Amazon.co.uk | GBP |
| Amazon.de | EUR |
| Amazon.fr | EUR |
| Amazon.es | EUR |
| Amazon.it | EUR |
| Amazon.nl | EUR |
| Amazon.co.jp | JPY |
| Amazon.in | INR |
| Amazon.ca | CAD |
| Amazon.com.br | BRL |
| Amazon.com.mx | MXN |
| Amazon.com.au | AUD |



Shipping Into Foreign Countries

- Customs, duties, regulations, prohibited, restricted, paperwork, previously owned (Australia)!
- Example: Cheese from Italy. The U.S. prohibits import of dairy products without a permit.
- An IPC survey found that 62 percent of international buyers, still expect to receive free shipping. Amazon created a big problem in the U.S.
- Biggest Problem - Canada, Even though it's adjacent and same language, customs is too big a problem. I won't sell there.
- PaperModelsOnLine.com sold to Greece, England, Canada, Mexico...

One Up.



Know Your Shipping

1. Know the international demand for your product and how your target countries regulate it.
2. Use technology-based rate shopping to more accurately estimate shipping and control total delivery costs.
3. Control your shipping costs by using a parcel consolidator.
4. Create a more predictable international buying and fulfillment experience using shipping automation software.
5. Deliver packages Deliver Duty Paid (DDP), rather than Deliver Duty Unpaid (DDU) by accurately estimating the full cost of a shipment, including duties, taxes and fees.
6. Look for an online shipping solution that offers Electronic Trade Documentation and paperless invoices.
7. Never misrepresent or under-declare the value of your items.



Shipping Risk: Partner's container from China



Citizenship

- Taxes & Double Taxation
- Restrictions
- Etc.



Credit Card / Payment Fraud

- U.S. Consumer Credit Protection Act (CCPA) of 1968.
- The businesses absorbs the losses.
- Example: PaperModelsOnLine.com Affiliate Program Fraud



International Communications

Communications Tools

- **Slack:** Integrates with platforms like Salesforce and is a Freemium.
- **Skype:** VIOP won't work in the Arab United Emirates such as Dubai or Abu Dhabi
- **WhatsApp** - HUGE in Asia. Nothing in U.S.
- **FaceTime** - HUGE worldwide
- **Many others...**



Privacy & Spam



GDPR 2018 Regulation

A Definition of GDPR (General Data Protection Regulation) The General Data Protection Regulation (GDPR), agreed upon by the European Parliament and Council in April 2016, will replace the Data Protection Directive 95/46/ec in Spring 2018 as the primary law regulating how companies protect EU citizens' personal data.

2004 CAN Spam Act

The Controlling the Assault of Non-Solicited Pornography And Marketing (CAN-SPAM) Act of 2003, signed into law by President George W. Bush on December 16, 2003, established the United States' first national standards for the sending of commercial e-mail and requires the Federal Trade Commission (FTC) to enforce its provisions.



European Union Countries

Austria

Belgium

Bulgaria

Croatia

Cyprus

Czech Republic

Denmark

Estonia

Finland

France

Germany

Greece

Hungary

Italy

Ireland

Latvia

Lithuania

Luxembourg

Malta

Netherlands

Poland

Portugal

Romania

Spain

Slovakia

Slovenia

Sweden

United Kingdom



The U.S. International Entrepreneur Rule

The International Entrepreneur Rule is a regulation by U.S. Citizenship and Immigration Services (USCIS) to increase the presence of foreign entrepreneurship in the U.S. Under this rule, qualified foreign entrepreneurs are granted temporary parole to the U.S. in order to build and scale their businesses.



The Six Most Common Political Systems

Democracy - Supports Capitalism

Monarchy - Supports Capitalism

Republic - Caution

Communism - Caution

Socialism - Caution

Dictatorship - Forget It



Marketing Internationally

Understand your customer and their culture...

In India, English is taught as a first language and then there 17 dialects of Hindi.

In India, you don't need to bow when greeting someone. In Bangkok, you do.

In Dubai, don't reach out to shake a woman's hand.

Example: In 2008, the U.S. was way too competitive. So, I spent since then, speaking and training in Kuala Lumpur, Shanghai, Singapore, Bangkok, Mumbai, Hyderabad, New Delhi, Netherlands, Vienna, Italy, Mexico, Sri Lanka, Dubai and in November, Slovenia.



McDonald's

And... Now Russia!



Translation Verses Localization

- I hate to say this again, but for international business... You need to speak English.
- On the Internet, English is the primary language.
- Google Translate works OK web sites, but it needs to be written, English First Language.

Example: My son Eric was a director for Macy's Credit Services. Customer support was performed by a company in Indian. A customer said, "I was late paying because I lost my husband. The Indian rep said "I will put you on hold while you go find him. Macy's fired the Indian company.



Lost In Translation

Ford

Auto giant Ford found that in Belgium, enticing customers with a dead body in every car isn't the best way to make a sale. Hoping to highlight the cars' excellent manufacturing, Ford launched an ad campaign in the European country that execs thought said "Every car has a high-quality body." However, when translated, the slogan read, "Every car has a high-quality corpse".



Lost In Translation

KFC - Kentucky Fried Chicken

While most businesses try to make a good impression while expanding into a foreign country, fried-chicken franchise KFC got off on the wrong foot when it opened in China in the late 1980s. When the company opened its doors in Beijing, the restaurant had accidentally translated its infamous slogan

“Finger-lickin' good” to a not-so-appetizing phrase:

“Eat your fingers off.”



Lost In Translation Coors Beer

American beer maker Coors, discovered that slang doesn't always translate well. When bringing its cool "Turn It Loose" campaign to Spain, it appears executives forgot to ensure the translation would resonate with consumers. When translated into Spanish, the tagline used an expression that's commonly interpreted as "Suffer from diarrhea."



Lost In Translation

1. Braniff International Airlines translated a slogan touting its finely upholstered seats "Fly in Leather" into Spanish as "Fly Naked."
2. Clairol Hair Products launched a curling iron called the "Mist Stick" in Germany even though "mist" is German slang for manure.
3. Coca-Cola's brand name, when first marketed in China, was sometimes translated as "Bite The Wax Tadpole."



Lost In Translation

4. Colgate toothpaste launched in France named "Cue" without realizing that it's also the name of a French pornographic magazine.
5. Gerber found it difficult when advertising in France due to the fact that the word "gerber" is very similar to the French slang word for vomit.
6. Ikea, the Swedish furniture company has a workbench on wheels that is sold under the name "FARTFULL". In Swedish / German, the root word Führt means to travel in a vehicle with wheels.



In other countries, it meant something completely different.



Lost In Translation

7. Ford (again), blundered when marketing the Pinto in Brazil because the term in Brazilian Portuguese means "tiny male genitals."
8. Perdue's Chicken tag line, "It takes a tough man to make a tender chicken," got translated into Spanish as "It takes a sexually stimulated man to make a chicken affectionate."
9. Gerber (again), marketed baby food in Africa with a cute baby on the label without knowing that, in Ethiopia, for example, products usually have pictures on the label of what's inside since many consumers can't read.



Lost In Translation

10. Ikea (again), products were marketed in Thailand with Swedish names that in the Thai language mean "sex" and "getting to third base."
11. Mercedes-Benz entered the Chinese market under the brand name "Bensi," which means "rush to die."
12. Nike had to recall thousands of products when a decoration intended to resemble fire on the back of the shoes resembled the Arabic word for Allah.



Lost In Translation

13. Parker Pen, expanding into Mexico, mistranslated "It won't leak in your pocket and embarrass you" into "It won't leak in your pocket and make you pregnant."

14. Paxam, an Iranian consumer goods company, markets laundry soap using the Farsi word for "snow," resulting in packages labeled "Barf Soap."

15. Pepsi's slogan "Pepsi Brings You Back to Life" was debuted in China as...

"Pepsi Brings You Back from the Grave."



Lost In Translation

16. Puffs marketed its tissues under that brand name in Germany even though "puff" is German slang for a brothel.

17. The American Dairy Association replicated its "Got Milk?" campaign in Spanish-speaking countries where it was translated into "Are You Lactating?"

18. Vicks introduced its cough drops into the German market without realizing that the German pronunciation of "v" is "f" making "Vicks" slang for...
sexual intercourse.



Summary

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2. The Big Three: Amazon, Alibaba, and eBay
3. Currency Issues
4. Payment Options
5. BlockChain & BitCoin
6. Manufacturing & Distribution
7. English First Language
8. International Outsourcing



Summary

9. Selling Into Foreign Countries
10. Shipping Into Foreign Countries
11. Understand Your Shipping Options
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Summary

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Thank you!

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